

EXHIBIT B



*A Community  
of Excellence*

June 24, 1994

Jayson Brentlinger  
Rainbow Broadcasting Inc.  
KAZR ROCK 104  
4545 North 36th Street, # 203  
Phoenix, Arizona 85018

Dear Jay,

I appreciate the status report you gave me on the progress you are making in locating your radio station to Gilbert. We are very much looking forward to having "our own" station to serve the community. At the meeting you asked me to provide you with some community information and I am pleased to do so. I have also enclosed an information packet that includes a town map and the 1994 Gilbert Community Profile.

Gilbert is a rapidly growing community located 15 miles southeast of Phoenix. Incorporated in 1920, Gilbert has seen its population mushroom from a small farming community of 500 people to a thriving, self sustaining community of 45,000 (See page 3 of Community Profile for breakdown of population growth). Since 1980 the community has experienced a growth rate of 676% and is expected to grow by another 91% by the year 2000. We have added over 16,000 people since the 1990 U.S. Census alone. Gilbert's planning area encompasses approximately 53 square miles, only half of which is developed at this time, which means that there is still plenty of room to grow.

As you know, the Town of Gilbert offers the full breadth of community services including a Parks and Recreation Department, a Senior Citizens Center, a Community Center, two libraries, a Public Works facility, a waste water treatment plant, with a new, state-of-the-art surface water treatment plant under construction. Based on the interviews that you did with the Mayor, the Police and Fire Chiefs, and myself, you know that Gilbert operates under the Council-Manager form of government, that our 1994 Operating Budget exceeded \$25 million, and that we have a full compliment of community development services. The nearly 60 Police

officers and 25 fire fighters are just a fraction of the nearly 300 people employed by the Town of Gilbert. The interviews that you aired with the above mentioned departments were very much appreciated and that is exactly the type of community service we look forward to when your station moves here in the future. To the best of my recollection, I think your station is probably the first in the Phoenix metro area to take the time to speak with our government officials and air them on a public affairs show. I think all too often the outlying communities get overlooked and overshadowed by the Phoenix stations (radio and TV) and that is really a disservice to the residents of Gilbert. We had the same type of situation occur before we had our own daily newspaper, the Gilbert Tribune. Now we get much better coverage of the events impacting Gilbert. In addition to the Tribune we also have a weekly paper, the Gilbert Independent, which is distributed free of charge to all of our residents. I think the print media is covered, now it's time that we receive some air time.

There are approximately 900-1,000 businesses in Gilbert itself and thousands more in the surrounding communities. Each of those communities has its own radio station and of course the tendency is to focus on the needs of those cities and ignore the needs of Gilbert. The businesses in Gilbert employ between 3,500-4,500 people and we are adding about 150 new businesses per year. The Gilbert Unified School District alone employs 1,400 workers and has about 14,000 students in their schools with more on the way. There is a strong partnership between the Gilbert Chamber of Commerce and the Town of Gilbert, one which works together to attract and retain business and industry. The Gilbert Town Council also recently approved our new General Plan which is a blueprint for future development.

I have enclosed a number of pieces of information for your files-a 1994 Gilbert Community Profile, *Ideas Into Action*, the 1993-94 Gilbert Economic Development Strategy, a Municipal Services Directory, a business list and a Gilbert Street Map. Gilbert is truly on the grow and we're happy that KAZR wants to be part of that growth. Please call me if I can be of any further assistance in your site selection process. We look forward to having Gilbert be the city of license for KAZR.

Sincerely,



Gregory M. Tilque, C.E.D.  
Director of Economic Development

EXHIBIT C



*A Community  
of Excellence*

June 27, 1994

Jayson Brentlinger  
Rainbow Broadcasting Inc.  
KAZR ROCK 104  
4545 North 36th Street, # 203  
Phoenix, Arizona 85018

Dear Mr. Brentlinger,

I am pleased to hear that the information I provided you in my letter of June 24, 1994 was beneficial to you in preparing for your presentation to the FCC. As a follow-up to that letter and in answer to your comments regarding its contents, please allow me to elaborate on a couple of points.

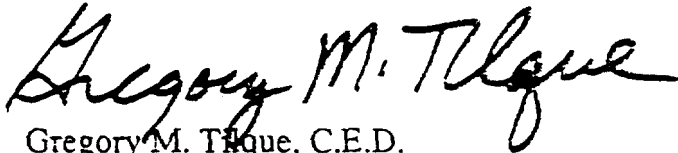
A study recently completed by Arizona State University shows that of the nearly 15,000 total workers that live in Gilbert, 13% of them actually work in our community, 25% of them commute to Phoenix, 9% work in Chandler, 15% in Tempe, and 26% of them work in Mesa. In other words, 63% of our residents who are in the workforce either work in Gilbert or within a ten mile radius of Gilbert.

In my first letter I briefly mentioned that Gilbert is a self sustaining community. I believe that statement is so important that it bears repeating and even more emphasis. Gilbert is a community of 45,000 residents and growing. In order to serve that population and the added growth which is inevitable, we have planned very diligently for the future. Many of the things that were just plans and visions a few years ago are now reality. We are a full service community that provides its residents with two libraries, the full range of Police and Fire protection, provides water and sewer services, offers a complete array of Parks & Recreation programs, and has a superior public school system. Our community leaders have worked very hard to make sure that Gilbert is a full service community and although we are technically a part of the Phoenix Metropolitan Area, we are far enough away

from the heart of Phoenix that those who live and work here consider us to be very independent from the rest of the valley. As further proof of our independent stature, I am providing a copy of the cover of the local telephone directory.

I hope this addendum provides you with the level of detail you need to proceed with your presentation. If you require further detail please call me at (602) 545-6865. Thank you for your continued interest in Gilbert.

Sincerely,

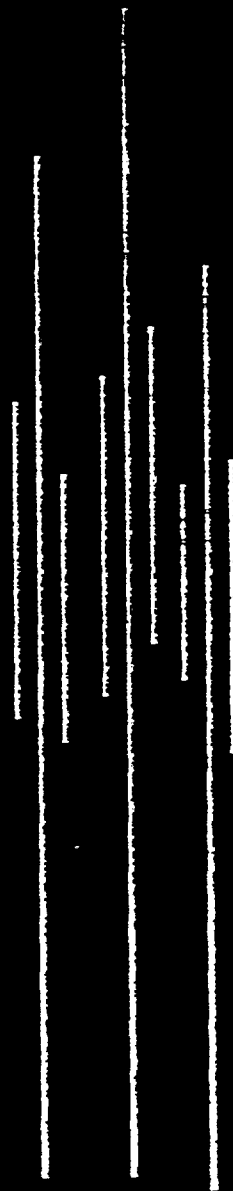
A handwritten signature in black ink, reading "Gregory M. Tilque". The signature is fluid and cursive, with the first name "Gregory" being more prominent and the last name "Tilque" following in a similar style.

Gregory M. Tilque, C.E.D.

Director of Economic Development

EXHIBIT D

# 1994 COMMUNITY PROFILE



GILBERT ARIZONA





# TOWN OF GILBERT COMMUNITY PROFILE

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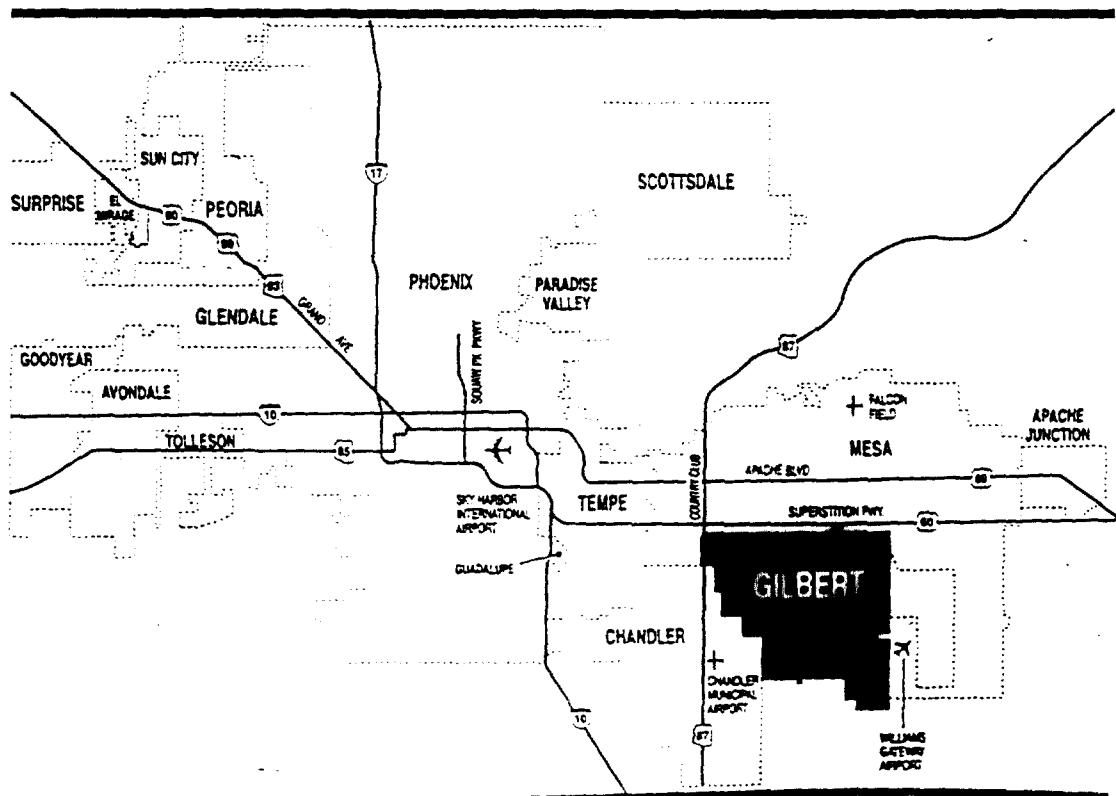
# PHYSICAL AND DEMOGRAPHIC

## Location

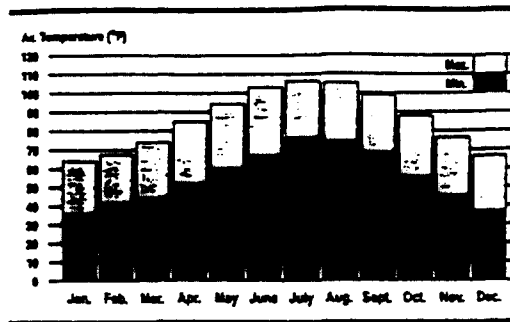


Longitude: 111°, 47', 30" W    Latitude: 33°, 20', 0" N    Elevation: 1273 ft.

## Metropolitan Phoenix



## Climate



Precipitation: Annual average rainfall ..... 7.52 inches

Annual Sunshine Days: 310

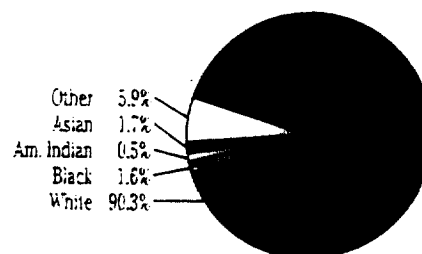
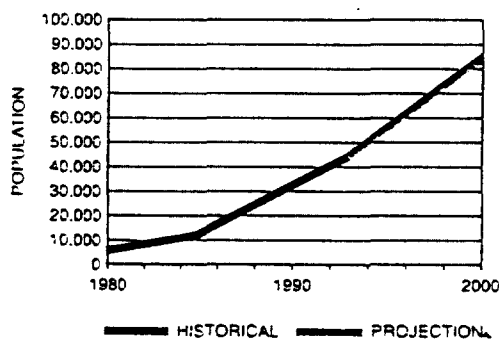
Relative Humidity Average:

January	31%	July.....	20%
April	16%	October.....	23%

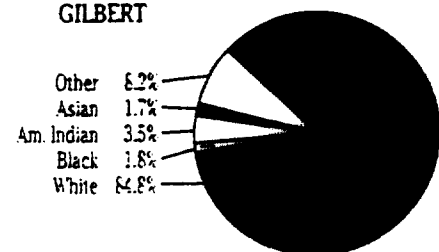
## Population/Demographics

### Population Growth

Year	Town of Gilbert	% chg	Greater Phoenix	% chg	State of Arizona	% chg
1960	1,833		663,510		1,301,161	
1970	1,971	8	971,228	46	1,775,399	36
1980	5,717	190	1,509,262	55	2,718,215	53
1990 (April)	29,188	410	2,122,101	41	3,677,985	35
1993 (Jan. Estimate)	40,000	37	2,198,000	4	3,789,000	3
1993 (Dec. Estimate)	44,415	11	2,333,275	6	4,036,875	7
2000 (projected)	85,000	91	2,715,100	16	4,632,875	15



GILBERT



GREATER PHOENIX

### AGE BREAKDOWN 1990

Highest Level Achieved	Gilbert	Greater Phoenix	U.S.
High School Grad	90.7%	81.5%	75.2%
Some College	40.9%	33.9%	24.9%
Bachelor Degree	21.4%	15.0%	13.1%
Graduate Degree	7.6%	7.1%	7.2%

Source: 1990 Census

### EDUCATIONAL ATTAINMENT (AGE 25+)

	Under 5	6-17	18-44	45-64	Over 65	Median Age
Gilbert	13.3%	22.6%	49.2%	11.8%	3.2%	27.1
Greater Phoenix	9.6%	16.6%	44.0%	17.3%	12.5%	32.0
U.S.	8.9%	16.7%	43.2%	18.6%	12.6%	32.9

Source: 1990 Census

### HOUSEHOLD INCOME 1990

	Median	Average
Gilbert	\$41,078	\$45,719
Greater Phoenix	\$30,797	\$38,996
U.S.	\$30,056	\$35,453

Source: 1990 Census

HOUSEHOLD 1990 9.361

AVERAGE  
HOUSEHOLD SIZE 1990 3.11

# EMPLOYMENT

## Major Employers

<u>Year</u>	<u>Employer</u>	<u>Product</u>	<u>Number of Employees</u>
1891	Gilbert Unified School District .....	Education .....	1,422
1989	Intesys Technologies .....	Molded Plastic .....	670
1989	Smitty's .....	Grocery/Retail .....	350
1989	Casa Blanca Clinic .....	Medical Services .....	300
1906	Town of Gilbert .....	Government .....	250
1980	Superstition Contracting .....	Residential Subcontractor .....	250
1988	Sam's Club (formerly Pace) .....	General Merchandise Warehouse .....	225
1991	Dillard Department Stores .....	Distribution Center .....	175
1990	Fry's Food & Drug .....	Grocery .....	170
1986	Earnhardt's Gilbert Dodge .....	Automotive Sales Service .....	140
1980	B&K Steel Fabrications .....	Fabricated Structural Steel .....	130
1961	Hunter Ditch Lining .....	Road Construction .....	125
1992	Albertsons .....	Grocery .....	105
1984	Foxworth Galbraith Truss Co .....	Truss Manufacturer .....	80
1992	The Groundskeeper .....	Landscape Maintenance .....	80
1989	Tomar Electronics .....	Strobe Lights .....	75
1988	ABCO .....	Grocery .....	75
1989	K & M Printing .....	Commercial Printing .....	60
1992	Spectrum Astro .....	Advanced Space Systems .....	60
1987	Tashco Industries .....	Window Door Frames .....	50
1989	Bjerk Builders .....	Contractor .....	50
1989	Orange-Sol .....	Cleaning Products .....	50
1972	Chandler Ready Mix .....	Concrete Products .....	50
1985	Bashas' .....	Grocery .....	48
1980	San Tan Roofing .....	Roofing Contractor .....	45
1982	Arizona Needles .....	Baby Bedding Products .....	45
1989	Chocolate Creations .....	Candy .....	40

Source: Town of Gilbert Economic Development Dept., 1994

## Labor Market

### Right-to-Work Legislation

Arizona is a right-to-work state. The law states that "No person shall be denied the opportunity to obtain or retain employment because of non-membership in a labor organization." Reprints of Arizona's labor laws and additional information may be obtained from:

Industrial Commission of Arizona  
 State Labor Department  
 Administrative Division  
 P.O. Box 19070  
 Phoenix, AZ 85005-9070  
 Telephone: (602) 545-4653

### Maricopa County - 1993 Annual Average

Civilian Labor Force: 105,900  
 Employed: 1,012,000  
 Unemployed: 56,000  
 % Unemployed: 5.3% (seasonally adjusted)

Source: DES, Research Administration. (602) 542-3871

## 1993 Average Annual Non-agricultural Employment, Maricopa County

	<u>Employees</u>	<u>%</u>
Manufacturing .....	126,900	13%
Mining .....	800	0%
Construction .....	56,700	6%
Transp, Commun, Utilities (TCPU) .....	53,600	5%
Finance, Insur & Real Estate (FIRE) .....	75,500	7%
Trade (Wholesale/Retail) .....	248,800	25%
Services .....	293,800	29%
(1) Government/Education .....	146,700	15%
<b>Total</b>	<b>1,002,800</b>	<b>100%</b>

(1) Does not include military employment at local Air Force bases

Source: DES, Labor Market Information

## Wage & Salary Levels

		<b>WEIGHTED AVERAGE</b>		
<u>Office/Clerical (Weekly Rates)</u>				<u>Starting Rate (All)</u>
Administrative Secretary	Mfg. \$468	Non-Mfg. \$ ----	All \$ 455	\$ ----
Clerk-Typist	331	270	306	260
Computer Programmer	597	538	545	435
Data Entry Keyer	340	310	310	285
Executive Secretary	562	510	533	410
Order Clerk	420	303	355	295
Payroll Clerk	440	370	390	315
Receptionist and Information Clerk	281	----	315	255
Secretary	351	----	379	315
<u>Professional/Technical (Annual Rates)</u>				
Accountant	\$ 29,100	\$ ----	\$ 30,600	\$ 27,400
Mechanical Engineer	43,900	52,800	52,800	41,100
Production Supervisor	32,300	39,300	32,300	28,700
Programmer/Analyst	38,400	37,200	37,200	31,500
<u>Production (Hourly Rates)</u>				
Drill Press Operator	\$ 10.02	\$ ----	\$ 10.02	\$ 7.05
Electronic Assembler (Skilled)	10.43	----	10.43	8.10
Electronic Assembler (Unskilled)	6.00	----	6.70	5.30
Industrial Truck and Tractor Operator	8.28	----	9.00	7.10
Laborer	8.82	7.91	8.52	6.65
Machine Operator (lathe)	13.66	----	13.57	10.30
Machinist - CNC	13.17	----	13.17	10.40
Machinist - Production	15.01	----	15.37	11.90
Mechanical Assembler (Skilled)	11.70	----	11.71	9.25
Mechanical Assembler (Unskilled)	6.13	----	6.14	5.30
Sheet Metal Worker	10.48	----	11.26	----
Tool & Die Maker	15.19	----	15.77	11.95
Truck Driver, Heavy/Tractor Trailer	10.53	----	12.21	9.65
Welder	14.68	10.69	13.18	10.55

Source: Wadley-Donovan Group, Inc. Projections based on composite analysis of existing surveys, including:

Arizona Department of Economic Security  
Bureau of Labor Statistics Area Wage Survey

Wyatt Executive Compensation Service  
Local Employer Association Surveys

# EDUCATION

## Primary/Secondary Education

### GILBERT PUBLIC SCHOOLS

A contributor to the rapid growth in Gilbert is the reputation of the school system. Gilbert Public Schools employs an energetic group of educators who actively seek better ways of educating the children they serve. This is validated by state and national testing programs which consistently rank all Gilbert schools above state and national testing norms.

#### General Data:

Size of district: 61 square miles      Student/Computer ratio: 14:1  
 School year: 9 months      Expenditure per pupil: \$3,583  
 High School Drop-out Rate: 6.5%  
 Student enrollment: 1979-1980: 3,680 students  
                                  1989-1990: 9,974 students  
                                  1990-1991: 10,941 students  
                                  1991-1992: 11,751 students  
                                  1992-1993: 12,528 students  
                                  1993-1994: 13,821 students

#### Faculty Data:

Total teaching staff: 787  
 Student/Teacher ratio:  
     Grades 1-6    18.4:1  
     Grades 7-12   19.0:1

Teachers salaries, 1993-94: \$22,775-\$46,344 (Average - \$28,740)

#### School Finances:

1992-93 Operating Budget ..... \$ 40,889,667  
 Bonded Long-Term Debt ..... \$ 38,950,000

Note: March 1993 Bond Election for \$109 million for construction of future facilities received a 70% "yes" vote in the general election.

#### School Tax Rates (per \$100 assessed valuation) - 5 Year Trend:

<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
\$9.12	\$9.16	\$8.93	\$7.73	\$7.89

#### Achievement Data: 1993 Graduates

#### Iowa Test of Basic Skills (ITBS Mean Scores)

	<u>Grade Four</u>				<u>Grade Seven</u>				<u>Grade Ten</u>		
	Reading Comp.	Usage Expression	Math		Reading Comp.	Usage Expression	Math		Reading Comp.	Math	
Gilbert	57	51	53	Gilbert	69	63	63	Gilbert	64	61	
Arizona	44	44	44	Arizona	52	52	49	Arizona	49	45	
National	48	49	46	National	48	48	46	National	47	48	

<b>S.A.T. Mean Scores</b>	<b><u>Gilbert</u></b>	<b><u>Arizona</u></b>	<b><u>National</u></b>
Verbal	456	444	424
Math	519	497	478
<b>A.C.T. Mean Scores</b>			
	<b><u>Gilbert</u></b>	<b><u>Arizona</u></b>	<b><u>National</u></b>
English	22.4	20.4	20.3
Math	22.7	20.7	20.1
Reading	23.6	21.5	21.2
Science Reasoning	23.2	21.1	20.8
Composite	23.1	21.1	20.7

### **Arizona Student Assessment Program**

Students in grades 4 and 7 are given the Iowa Tests of Basic Skills in the areas of mathematics, reading and language. Students in grade 10 are administered the Tests of Achievement and Proficiency in the areas of reading, mathematics, written expression and reference materials. New performance-based tests in the areas of reading, writing and mathematics are given to students in grades 3, 8 and 12. These tests are designed to engage students in problem solving, abstract reasoning and decision making. Each test has a written response section. Criterion-referenced examinations, as developed by the Gilbert Public Schools, are given to students in the spring. These tests are designed to meet District objectives and measure learning in the basic areas. The results of these tests are available to parents and students.

Scores for students in eastern metropolitan Phoenix are typically higher than those of students from across Arizona and the nation. Pupils in Gilbert Public Schools, which has doubled its size in six years, have consistently recorded achievement test scores that rank them among the top three school districts in Arizona.

### **Innovative School Programs:**

**Accelerated Learning Program:** An elementary program which provides advanced instruction in math and language arts for students who qualify based on special entrance examinations.

**Multiage Program:** An elementary program in which children remain with the same instructor for two or more years and proceed through the curriculum at their own rate.

**Interdisciplinary Teaming:** A junior high program which allows instructors to share a common group of students in order to plan interdisciplinary curriculum units.

**Renaissance Program:** A high school program in which administrators, teachers, students and parents work together to promote academic achievement through an incentive system.

**Secondary Honors:** A continuation of the elementary Advanced Learning Program which allows students to take advanced classes in core subject areas.

**Adult Education:** Evening classes offered to adults who are interested in preparing for the GED examination.

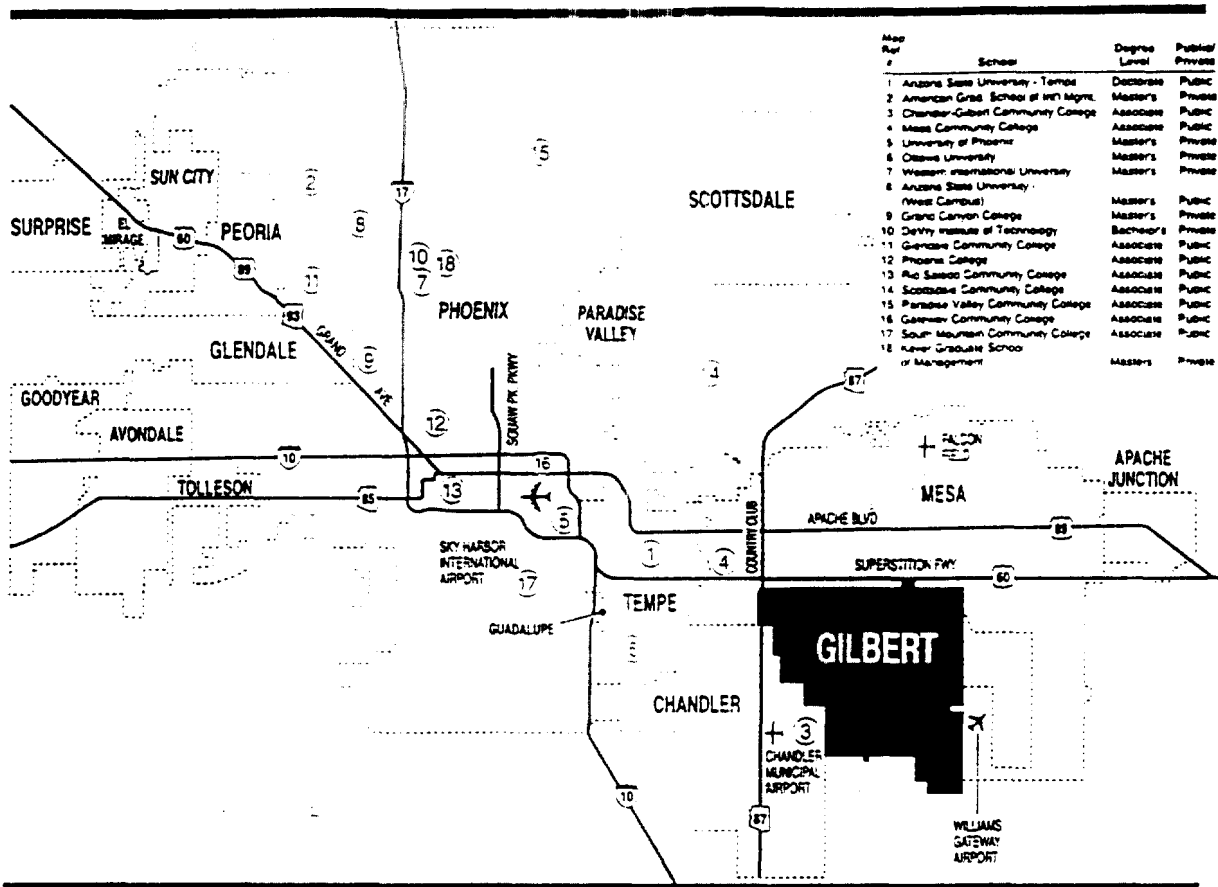
### **Special Programs Available:**

- Vocational Education
- English as a Second Language
- Computer Literacy
- Classes for special needs students

Source: Gilbert Public Schools

## Higher Education

### Location of Colleges & Universities in Metropolitan Phoenix



#### Arizona State University

Arizona State University (ASU), located in nearby Tempe, is the nation's fifth largest single campus university. The main campus occupies 600 acres and has a student body of 40,000 students. The university offers strong undergraduate degree programs in nearly 100 fields, 72 masters degree programs and over 40 doctoral programs. Notably, ASU has among the nation's largest graduate student enrollment.

ASU's Engineering Excellence Program has hired over 100 new faculty, built five new research centers and since its founding in 1980 has generated over \$82 million in new funding. For the third year in a row *U.S. News and World Report* has named the College of Engineering as one of the five top up and coming engineering programs in the country. In 1993, *Money Magazine* ranked ASU's Honor College one of the eight best buys in the country for public higher education. ASU's University Research Park provides a high quality environment where the private sector can access ASU's resources for their own research and development activities.

Telephone: (602) 965-4980.

#### Research at ASU:

- ASU's Center for Solid State Science houses the internationally recognized High Resolution Electron Microscopy Facility where state-of-the-art instruments are used by scientists from around the world.
- ASU's Engineering Excellence Program recently received a \$19 million pledge from the greater Phoenix area's six largest high-technology companies.
- Computer science, solid-state technology, energy systems design, and computer-integrated manufacturing systems research are some of the programs in which ASU is gaining prestige.
- The 320-acre, multi-facility Research Park offers the campus and local communities a link with high tech firms and "think tanks."
- ASU boasts more than four dozen specialized centers of research in physical and social sciences, and the humanities.



### **Maricopa Community College District**

Ten separate colleges and the Maricopa Skill Center comprise the Maricopa Community College District. Nine campuses are located in population centers throughout metropolitan Phoenix. A tenth, the "college without walls" conducts classes at over 250 locations throughout the valley. Additionally, the Maricopa Skill Center offers self-paced training in eleven occupations.

Collectively, the Maricopa Community Colleges are the state's largest single provider of education and the second largest multi-community college system in the United States. They serve a year-round enrollment of nearly 180,000 students in credit courses and over 30,000 students in non-credit special interest courses. With another 21,000 students in non-credit employee training programs, the colleges train and educate more local company employees than any other educational institution in Arizona. Close to 6,000 credit course offerings accommodate a wide range of needs and interests, from real-world occupational programs and career education to courses which transfer to universities and four year colleges throughout the United States.

Classes are available days, evenings, and weekends. Small class sizes, affordable tuition and emphasis on teaching attract a diverse year-round student population of all ages. Degrees offered are: Associate of Arts (AA), Applied Science (AAS), and General Studies (AGS). Occupational programs award certificates of completion.

The Maricopa Community Colleges/Centers: Chandler-Gilbert (732-7000); Estrella Mountain (935-8000); GateWay (435-3000); Glendale (435-3000); Maricopa Skill Center (238-4300); Mesa (461-7000); Paradise Valley (493-2600); Phoenix (264-2492); Rio Salado (223-4000); Scottsdale (423-6000); South Mountain (243-8000).

General Information Hotline: (602) 731-8333

### **Chandler-Gilbert Community College**

One of Maricopa Community Colleges, located at Gilbert and Pecos Roads, opened in 1985 and has grown to 4,000 students. Chandler-Gilbert features an FAA-certified Aviation Maintenance Technology Program. The college is accredited by the North Central Association and its goal is to continue developing as a comprehensive community college with a range of university transfer and occupational-technical programs as well as a strong community orientation.

Telephone: (602) 732-7000.

### **Mesa Community College**

The College, located 3 miles from Gilbert, provided service to more than 20,000 students in Fall 1992. Outstanding programs at MCC include Machine, Tool and Die Technology; Computer Aided Drafting, specialty programs including Circuit Design, an impressive array of business technology programs emphasizing accounting technology and a multitude of software application courses. The college provides a full offering of university parallel coursework as well as career preparation in over 40 different areas. A special partnership with Motorola serves 33,000 Motorola employees plus Motorola suppliers in a series of courses that focus on customer satisfaction, quality engineering, management and other issues. A special partnership with Motorola University - West has provided more than 100,000 training days to Motorola employees over the past three years. A comprehensive program of Total Quality Management (TQM) classes is available through the nationally recognized Supplier Training Center at MCC/MU-West.

Telephone: (602) 461-7000.

### **American Graduate School of International Management (Thunderbird)**

One of the top ranked graduate schools in the world, specializing in international business management. More than 1,400 students from 70 countries take courses in international studies, World business and modern languages to prepare for the challenges of working in an increasingly global economy.

Telephone: (602) 978-7011.

**University of Phoenix**

The University of Phoenix offers undergraduate degrees in business administration, management, and nursing; graduate degrees in business administration, technology management, organizational management, education, counseling and nursing; as well as continuing education courses for education professionals, certificate programs in various areas, and custom training programs. Courses are scheduled to meet the needs of busy working adults and are taught using the latest adult learning theories by industry professionals. The University of Phoenix is accredited by the North Central Association of Colleges and Schools.

*Telephone: (602) 966-7400.*

**Ottawa University**

Ottawa University Phoenix was established in 1977 to meet the educational needs of adults whose jobs or family responsibilities make traditional baccalaureate programs impractical. Accredited by the North Central Association of Colleges and Schools, Ottawa offers four-year undergraduate degrees in Business Administration, Labor Management, Public Administration, Law Enforcement, Health Care and Administration, Human Services, Psychology, Sociology, Education and Liberal Arts. A masters of arts degree in human resources is also available.

*Telephone: (602) 371-1188.*

**Western International University**

Western International University prepares professionals, executives and entrepreneurs to assume leadership roles in a global marketplace. WIU offers undergraduate and graduate degree programs, and executive development programs. With two-month semesters offered during the day, evening and on weekends, the University provides students the flexibility to complete degree programs within time frames appropriate to their needs. Classes are offered at a number of teaching sites throughout the valley.

*Telephone: (602) 943-2311.*

**DeVry Institute of Technology**

DeVry Institute of Technology is accredited by the North Central Association of Colleges and Schools and offers an Associate Degree of Applied Sciences in electronics and Bachelor degrees in electronics engineering technology, computer information systems, accounting and business operations.

*Telephone: (602) 870- 9222.*

**Keller Graduate School of Management**

Keller Graduate School of Management is specifically dedicated to meeting the needs of full-time working people. The Masters of Project Management (MPM) degree is designed for managers in engineering, information systems, and other technical fields. The Masters of Human Resources Management (MHRM) curriculum addresses topics like right-sizing, diversity management, and quality.

*Telephone: (602) 870-0117 - Phoenix*

*(602) 827-1511 - Mesa*

### **Business & Industry Institute**

Mesa Community College serves the business community with a broad range of workshops, classes and seminars offered through its Business and Industry Institute. The non-credit programs offer classes in computer training, specialty business training, professional development and small business development. They also feature custom in-house training programs. The Business and Industry Institute is also nationally recognized Supplier Training Center offering Total Quality Management (TQM) courses.

Telephone: (602) 461-7493.

### **East Valley Institute of Technology**

In the November 1990 election, voters in ten east valley school districts approved the creation of the East Valley Vocational District. This district became a reality in September 1991 when the campus opened its doors to students for half-day programs. The curriculum focuses on vocational education and features courses in air conditioning, auto, RV technician, aviation, child care, computers, construction, commercial art, photography, drafting, culinary arts, electronics, graphic printing, machining technology, medical careers, Radio and T.V., upholstery, and welding.

Telephone: (602) 461-4173.

### **Precision Machining Institute**

P.M.I. is the educational arm of the Arizona Tooling and Machining Association, a chapter of the National Tooling and Machining Association. Located at Gateway Community College in Phoenix, P.M.I. is operated by directors who own and operate machine shops and manufacturing facilities in Arizona. This unique institutional approach keeps the focus of P.M.I. directly on the needs of manufacturing, assuring up to date class content and quick response to any new educational requirements in our industry.

P.M.I. is the fifth largest school in the NTMA U.S.A. system. Over 250 graduate entry level machinists have been placed in the past four years. In addition to machinist training, P.M.I. offers excellent training in statistical process control, total quality management, electronic gaging, computer numerical control, CAD/CAM and many other programs. P.M.I. is the only accredited S.P.C. school in the Phoenix metropolitan area.

Telephone: (602) 392-5166.

### **The Arizona Gakuen (Japanese Saturday School)**

A "Saturday School" with instruction in Japanese has been established in the East Valley for children with native fluency. The Arizona Gakuen, which serves children from all over the Phoenix Metropolitan area is held at Mesa Community College. The curriculum includes Japanese language, math, social studies and science. Classes in Japanese language and culture are offered to non-Japanese speaking students. The Arizona Gakuen School is a non-profit organization. Much of its support comes from the Japanese Business Association of Arizona and the Japan America Society of Phoenix.

Telephone: (602) 345-4522.

### **Williams Gateway Airport (Educational Component)**

Williams Gateway Airport, a reuse base facility formerly known as Williams Air Force Base will soon be utilized as an education, research and training consortium. A cooperative effort between Arizona State University, Maricopa Community Colleges and several other public and private institutions will feature an aerospace campus and regional training center for general and occupational education. The educational component of the reuse plan will be phased in beginning this year. The long-term vision for Williams is to establish an internationally recognized aerospace center.

Telephone: (602) 988-1013

# BUSINESS RESOURCES

## Business Support Services

### **Town of Gilbert Community Development Department**

The Town of Gilbert has a highly-trained team of development specialists who assist business and industry by providing expertise in site selection, planning, research, economic analysis and financing. Gilbert's Economic Development Department can provide, at no cost, research in the areas of labor, economics and transportation. A database on available buildings and sites is also maintained.

*Telephone: (602) 545-6865.*

### **Customized Work force Training and Recruitment**

The Maricopa Community Colleges office of Economic Development provides two very specialized, company-specific, human resource services for companies that are expanding their operations or newly locating in the community.

1. **Employee Recruitment**—Job announcements in the form of newspaper ads and fliers, job fairs, applicant intake, screening, testing, applicant information database management, interview scheduling, applicant status notification, and project coordination.
2. **New Employee Training**—Custom design of training materials through task analysis of jobs identified for training, training company supervisors to be trainers and in use of custom training materials, and project coordination.

The Maricopa Community Colleges office of Economic Development will also assist the company with the application process necessary to receive project funding through the Arizona Department of Commerce.

*Telephone: (602) 731-8222.*

### **Job Service**

The Job Service, funded by the Arizona Department of Economic Security, provides a variety of services to help employers fill jobs by finding qualified, interested people. Job Service has provided employees of all types including professional and technical, skilled and unskilled, full and part-time, and permanent or temporary. Services include screening of applicants and use of offices for interviewing prospective employees.

*Telephone: (602) 834-7777.*

### **State of Arizona Work Force Recruitment & Job Training Program**

Administered by the Arizona Department of Commerce, the program provides job training assistance to firms that are creating new jobs in Arizona, either through the location of new business or expansion of an existing one. Businesses undergoing economic conversion will also be eligible. Companies will be required to contribute 25% of the total training costs either in cash or in-kind contributions.

The program was established with \$3 million in funds for the first year of operation. Small businesses received a dedicated share of the fund with 20% (\$600,000) reserved for businesses employing fewer than 100 employees. Training is meant to be short-term and customized to meet the needs of the business.

*Telephone: (602) 280-1352 Contact: Jackie Flood, Job Training Manager*

### **The Small Business Development Centers (SBDC)**

This program offers free counseling and low-cost training on the practical, problem-solving skills needed to make a business succeed. The Business and Industry Institute is the liaison to the GateWay Community College Small Business Development Center, which administers the program. One of the state's first centers, the Chandler Small Business Resource Center, opened in early 1993 and will serve the East Valley. Other SBDC's are planned statewide.

*Telephone: (602) 392-5221 (SBDC), (602) 786-2309 (Chandler SBDC).*

### **Business and Industry Institute**

Mesa Community College's Business and Industry Institute, located in downtown Mesa, is a key training resource for local and large businesses. A wide diversity of programs address modern management and quality (TQM), professional development, small business growth and computing needs. MCC is an authorized Supplier Training Center for the national Consortium for Supplier Training. Specialized, customized and on-site courses are available.

*Telephone: (602) 461-4950 or FAX (602) 461-4949.*

**APTAN Inc.**

APTAN Inc. is a cooperative effort among public and private sector entities whose economic development objectives are directed at creating and retaining employment opportunities by providing technical and marketing assistance to Arizona small businesses.

In addition, APTAN provides the opportunity for businesses to be entered into a computerized data base of Arizona businesses called the Arizona Automated Vendor Inquiry System (AAVIS) that is accessed daily by buyers looking for new suppliers.

Telephone: (602) 280-1348

**The Arizona Business Connection**

The Arizona Business Connection is a group within the Arizona Department of Commerce. The primary function of this office is to provide help for people starting, expanding, or relocating small businesses. This office is a resource for information regarding licensing (state, county, local) as well as many of the required application forms. Additional services include analysis, referral to business support organizations located in or serving your community and other sources of general information.

Telephone (602) 280-1480 or 1 (800) 542-5684

**Service Corps of Retired Executives (SCORE)**

SCORE offers free counseling to small businesses or to individuals who may be considering going into business for themselves and to established businesses who may be having difficulties and desire counseling. Seminars on a variety of business topics are also open to the public.

Telephone (602) 640-2329

**Gilbert Chamber of Commerce**

The Chamber of Commerce is a non-profit, pro-business, voluntary membership organization. The Chamber has nearly 350 business members representing nearly 24,000 employees in Gilbert and the East Valley. Its mission is to develop goals and programs which will support the growth of Chamber members while improving the overall quality of life in Gilbert. The members are active in the community in areas of Economic Development, Business Retention and Expansion, Legislative Affairs, Business Assistance and Business Education partnerships.

It offers business development seminars and political forums open to the entire community, publishes a variety of business lists and a guide to starting a business in Gilbert. Numerous networking opportunities are available for business members as well as business counseling for any business. A business advocate by definition, the Gilbert Chamber maintains a high profile in the community as an involved organization in all matters of business.

Telephone: (602) 892-0056

**Maricopa County Private Industry Council**

The Private Industry Council's membership consists of representatives from education, public employment, vocational rehabilitation, community-based organizations, organized labor, public assistance, economic development, and the private sector. The majority of the membership in the Private Industry Council is from the private sector. Their purpose is to provide policy direction and oversight for the Job Training Partnership Act. The objective is to provide quality trained work force for the employers in Maricopa County.

Telephone: (602) 506-5911.

## Financial Assistance

### Financial Institutions (within town boundaries)

Bank One

First Interstate Bank

Bank of America

### Revolving Energy Loans for Arizona (RELA)

The Revolving Energy Loans for Arizona (RELA) program was designed and is administered by the Arizona Department of Commerce to assist small businesses and to promote statewide energy conservation and economic development in Arizona.

RELA is capitalized with oil restitution funds received under a federal court-ordered settlement issued in 1986.

Companies eligible for assistance under the RELA program are:

Existing Arizona manufacturers of renewable energy, alternative energy, or energy-conserving products or existing Arizona companies purchasing renewable energy or energy-conserving products for use in their own facilities.

RELA loan requests may range from \$10,000 to \$500,000 (up to 60% of total project costs). Fixed interest rates are between 5% (APR) and 6% (APR). The 1% up front origination fee may also be amortized, if desired. Repayment terms structured with RELA program guidelines.

Contact:

Arizona Department of Commerce  
Business Finance  
3800 N. Central, Suite 1500  
Phoenix, AZ 85012-1908  
Telephone: (602) 280-1341

### Private Activity Bonds (PAB's) (formerly known as Industrial Development Bonds)

PAB's are low-interest tax exempt bonds which are used to fund industrial and other projects. The federal government limits the amount of PAB's each state may issue. The Arizona Department of Commerce Business Finance Division monitors the state's allocation process, but the Town of Gilbert Industrial Development Authority issues the PAB's. The proceeds from the sale of the bonds are made available to finance projects under loans, leases, or installment sale agreements with private, credit-worthy companies. The payments made are used to pay the principal and interest on the bonds as they become due. Interest rates are normally lower than those charged through conventional borrowing, due to tax-exempt interest.

Contact:

The Town of Gilbert  
Economic Development Department  
1025 S. Gilbert Road  
Gilbert, AZ 85234  
Telephone: (602) 545-6865

### Arizona Commerce and Economic Development Commission (CEDC)

CEDC, administered by the Arizona Department of Commerce, can provide financial assistance to business ventures that will make a significant contribution to the Arizona economy by increasing or retaining jobs and adding capital investment.

Funding is derived from special lottery games. The CEDC has set the following guidelines for use of the funds:

Portfolio Target Percentage	
• Small business retention & expansions	-55 %
• Business locates	-22 %
• Special incentives	- 8 %
• Production financing	- 9 %
• Co-Venture funds	- 6 %

Contact:

Arizona Department of Commerce  
Financial Services and Housing Development Division  
3800 N. Central, Suite 1500  
Phoenix, AZ 85012-1908  
Telephone: (602) 280-1369

### **Small Business Administration (SBA)**

One of the major sources of financial assistance from the federal government is the Small Business Administration. The SBA is primarily a bank guarantee program that provides loan guarantees to banks for small businesses. Guarantees can amount to 85 percent of a business loan to a maximum of \$750,000. At present, direct loans are very limited and available under special conditions. The loans are limited to \$150,000. To receive most forms of SBA loan assistance, a company must show that competitive financing is not available from other sources.

SBA loans may be used for business construction, expansion, or conversion; purchase of machinery, equipment, facilities, supplies, materials; working capital.

Contact:

Small Business Administration  
Central and One Thomas, Suite 800  
2828 N. Central  
Phoenix, AZ 85004-1025  
Telephone: (602) 640-2316.

### **Small Business Administration 504 Loans**

The objective of the 504 Program is to achieve community economic development through job creation and retention by providing long-term fixed asset financing to small businesses.

A private sector lender makes a long-term, market rate loan for 50% of a fixed asset project; Arizona Enterprise Development Corporation (AEDC), a certified development corporation staffed by the Department of Commerce, makes a long-term fixed-rate, subordinated loan for 40% of the fixed asset project. Advantages: long-term, low down payment (10%) and below-market fixed-rate on the AEDC's 40%. There is a job creation requirement (1 job per \$35,000 of AEDC's loan amount). In some situations, this criteria can be waived.

Contact:

Arizona Department of Commerce  
Business Finance  
3800 N. Central Ave., Ste 1500  
Phoenix, AZ 85012-1908  
Telephone: (602) 280-1341

### **Small Business Innovation Research Program (SBIR)**

SBIR grants or contracts, under a federal government program begun in 1982, provide small businesses with important, yet scarce, "idea" money. The program attempts to achieve other objectives as well: technology transfer (converting research into new products/services) and eventually commercialization. Competing companies must have fewer than 500 employees, be independently owned, and be controlled and owned (more than 50%), by U.S. citizens.

The process begins with eleven federal agencies publishing solicitations which describe areas of research they will fund. Small businesses then submit written proposals for funding of their research projects. These proposals are evaluated competitively and grants or contracts are awarded to projects on the basis of technology excellence and potential importance to the private sector or government.

Contact:

Small Business High Technology Institute  
346 W. Georgia Avenue  
Phoenix, AZ 85013  
Telephone: (602) 277-6603

## Operating Environment

Arizona has a competitive business environment with operating costs nearly 25 percent lower on average than Southern California and other major U.S. metropolitan markets.

- Arizona has no unitary tax, no inventory tax, no franchise tax, no municipal income tax, and no sales tax on direct sales to state and federal government.
- Arizona does not tax income paid to a parent company by a subsidiary when the parent firm owns at least 50 percent of the subsidiary and is headquartered in Arizona.
- Arizona statutes specify that net operating losses may be carried forward to the extent allowed in Federal Income Tax.
- Arizona has adopted responsible environmental regulatory policies that generally are no more stringent than those mandated by the federal government. More importantly, regulatory agencies make every reasonable effort to help industry understand and comply with environmental laws.
- Financial opportunities have been enhanced by the recent formation of the Arizona Stock Exchange, which provides Arizona companies with a new means of raising capital.
- Arizona has adopted an accelerated depreciation tax law which allows the County Assessor to adjust depreciation schedules as follows to determine the valuation of class three personal property that is initially assessed during tax years 1994, 1995 and 1996. The tax rate is calculated by multiplying the current value factor by the new accelerated rate. The product is the proposed value factor which is used to determine the total levy.

Year of Ownership	Current Value Factor	X Accelerated Rate	= Proposed Value Factor
0	96%	X 40%	= 38.4%
1	91%	X 56%	= 51.0%
2	84%	X 72%	= 60.5%
3	76%	X 88%	= 66.9%



## Incentives

Arizona has developed targeted incentives to promote the growth of existing industry and hasten the recruitment of desirable new businesses. These incentives include:

- **State Funded Job Training**

Providing a \$3 million program that is administered by the Department of Commerce. Targeted at new and existing businesses, the job training services will be coordinated through either the community college system or a private, post-secondary educational institution, unless an employer specifies another provider.

- **Research and Development Tax Credit**

Qualified research conducted within the state is eligible for a research and development tax credit. Maximum allowable yearly credit begins at \$100,000 the first year, and increases to \$500,000 in the fourth year and thereafter. In addition, a 15-year carry forward for any unused portion of the credit is permitted. A Sales Tax exemption on the purchase of new (R&D) equipment.

- **Foreign Trade Zones**

Providing designated and controlled areas for storing, sorting, packaging, or preparing goods. Within this area, the goods are considered by the U.S. government to be outside U.S. customs territory and can take advantage of bringing in foreign and domestic merchandise for shipment to a third country without formal customs entry or payment of customs duties or excise taxes. In addition, these goods are usually not chargeable against quotas. State law classifies real and personal property in the zone as class eight.

- **Defense Contractor Restructuring Assistance Program**

This program, administered by the Department of Commerce, assists qualified defense contractors in becoming more competitive for DoD contracts, encourages them to diversify into commercial markets, adopt new manufacturing processes and technologies, and consolidate facilities into this state. The enabling legislation offers corporate income tax incentives and property tax incentives.

- **Environmental Technology Manufacturing Assistance Program**

This program is similar to the Defense Contractor Restructuring Assistance Program. It provides tax credits and exemptions, and classifies real and personal property as class eight (5 percent of full cash value) for environmental technology companies.

- **Arizona Technology Development Authority**

This legislation authorizes the Department of Commerce to establish AZTECH, a Technology Development Authority. AZTECH will be a state-sponsored, non-profit corporation for the purpose of applying for federal technology and energy-related grants.

- **Personal Property Tax**

Construction Work in Progress: Secured and unsecured personal property relating to construction work in progress is exempted from taxation until the construction work has progressed to a point at which the personal property can be used for its intended purpose.

- **Commercial Lease Tax Phase Out**

The commercial lease tax will be phased out over a period of five years. The phase out began December 31, 1992. See page 35 for example of the phase out.

- **Weighted-Distance Tax Phase Out**

This legislation should bring Arizona's transportation tax structure in line with other states, and it provides for a 24 percent reduction in the weight-distance tax for qualifying commercial vehicles. A formula for future reductions in the weight-distance tax will also be established as a part of this legislation.

Source: Arizona Department of Commerce